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SUBSIDIARY BODY FOR IMPLEMENTATION
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Geneva, 9-16 July 1996
Item 8 of the provisional agenda

REVIEW OF THE PROGRAMME OF WORK, 1996-1997

Note by the secretariat

1. The Conference of the Parties at its first session (COP 1) adopted a decision on the roles of the subsidiary bodies which included provision for the Subsidiary Body for Implementation (SBI) to consider a work plan at its first session (FCCC/CP/1995/7/Add.1, decision 6/CP.1, annex III). In that context, and with a view to facilitating the work of the SBI, the secretariat prepared a proposed programme of work, document FCCC/SBI/1995/2, which was considered and adopted by the SBI at its first session (FCCC/SBI/1995/5, decision 1/SBI.1).

2. By its decision 1/SBI.1, the SBI requested the secretariat to revise the scheduling of the programme of work in the light of the results of the first session of the Subsidiary Body for Scientific and Technological Advice (SBSTA). The SBI by that same decision decided to review the programme of work at the session immediately prior to the second session of the Conference of the Parties (COP 2).

3. The SBI, at its second session, took note of an information document prepared by the secretariat (FCCC/SBI/1996/2) containing the revisions to the programme of work made in the light of the conclusions of the SBSTA at its first session.

4. The SBI is invited to take note of the consolidated programme of work containing the revisions made to document FCCC/SBI/1995/2 and to adopt an agreed programme of work to guide its deliberations in the period up to COP 3.

Annex

SUBSIDIARY BODY FOR IMPLEMENTATION: REVISED PROGRAMME OF WORK

I. GENERAL ORIENTATION

5. The Conference of the Parties (COP), in its decision 6/CP.1* recalling Article 10 of the Convention, characterized the role of the Subsidiary Body for Implementation (SBI) as that of developing recommendations to assist the COP (a) in its review and assessment of the implementation of the Convention, and (b) in the preparation and implementation of its decisions. Decision 6/CP.1 also provides guidance on the tasks and functions of the SBI, its reporting to the COP, and the scheduling of its meetings.

6. Other COP 1 decisions also relevant to the programme of work of the SBI are as follows:

- Decision 2/CP.1 on the review of first communications from Parties included in Annex I to the Convention and decision 3/CP.1 on the preparation and submission of national communications from Parties included in Annex I to the Convention;

- Decision 4/CP.1 on methodological issues (including the allocation and control of international bunker fuels);

- Decision 5/CP.1 on activities implemented jointly under the pilot phase;

- Decision 8/CP.1 on first communications from Parties not included in Annex I to the Convention;

- Decision 9/CP.1 on the maintenance of the interim arrangements referred to in Article 21, paragraph 3, of the Convention; decision 10/CP.1 on arrangements between the COP and the operating entity or entities of the financial mechanism; decision 11/CP.1 on initial guidance on policies, programme priorities and eligibility criteria to the operating entity of the financial mechanism; decision 12/CP.1 on the report of the Global Environment Facility to the COP on the development of an operational strategy and on initial activities in the field of climate change and the decision of the COP relating to modalities for the functioning of operational linkages between the COP and the

* For decisions adopted by the Conference of the Parties at its first session, see document FCCC/CP/1996/7/Add.10.

operating entity or entities of the financial mechanism (FCCC/CP/1995/7, para. 81 and FCCC/CP/1995/7/Add.1, section III (a));

- Decision 13/CP.1 on transfer of technology;

- Decision 14/CP.1 on the institutional linkage of the Convention secretariat to the United Nations; decision 15/CP.1 on financial procedures; decision 17/CP.1 on the adoption of the Convention budget for the biennium 1996/1997; decision 18/CP.1 on other voluntary funding for the biennium 1996/1997; decision 19/CP.1 on extrabudgetary funding for the interim secretariat in 1995; decision 20/CP.1 on the establishment of a multilateral consultative process for the resolution of questions regarding the implementation of the Convention (Article 13); and decision 21/CP.1 on the date and venue of the second session of the COP and arrangements for the third session.

A. Schedule of sessions

7. The programme of work of the SBI is being carried out in the context of the following schedule of meetings, as proposed by the Bureau of the COP, taking account of decision 6/CP.1, paragraphs 8 and 9, the availability of conference services and the scheduling of COP 2 and COP 3. The current schedule will be kept under review by the Bureau of the COP.

First session: 31 August - 1 September 1995, Geneva

Second session: During the week 27 February - 8 March 1996, Geneva

Third session: During the period of COP 2, 8-19 July 1996, Geneva

Fourth session: During the week 24-28 February 1997, Bonn

Fifth session: During the fourth quarter in 1997 in conjunction with COP 3

7 bis. A further session of the SBI may be held during the third quarter of 1997.

II. ELEMENTS OF THE PROPOSED PROGRAMME OF WORK

A. Communications from Annex I Parties

Product or task

8. The SBI will provide advice to the COP on the basis of its consideration of the information communicated under Article 12 of the Convention. Such advice will focus on the policy aspects of the national communications, the in-depth review reports, and any compilation and synthesis of these, particularly aspects relating to the overall aggregated effect of the steps taken.

Mandate

9. The SBI will provide such advice pursuant to Article 10 of the Convention, decisions 2/CP.1 and 3/CP.1 on communications from Annex I Parties and decision 6/CP.1 on the roles of the subsidiary bodies.

Activities

10. The SBI has a standing agenda item on the communications from Annex I Parties under which documents are taken up in accordance with the review process schedule.

First session:	Consideration of status of national communication and review process
Second session:	Consideration of available in-depth review reports, of compilation and synthesis and of report on guidelines for the preparation of national communications from Annex I Parties
Third session:	Consideration of new in-depth review reports, of compilation and synthesis and finalization of report to COP 2
Fourth session:	Consideration of newly-available in-depth review reports
Fifth session:	Consideration of newly-available in-depth review reports and finalization of report to COP 3

B. Communications from Parties not included in Annex I to the Convention

Product or task

11. The SBI, with the SBSTA, will provide advice to the COP on matters relating to communications from Parties not included in Annex I to the Convention.

Mandate

12. The SBI will provide such advice pursuant to decision 8/CP.1 on communications from Parties not included in Annex I to the Convention.

Activities

13. At its third session, immediately preceding COP 2, the SBI could take up the issue of communications from Parties not included in Annex I to the Convention, in accordance with Article 10 of the Convention. A compilation of inputs from Parties on this subject will be available at the second session of the SBI. Liaison with the SBSTA would be important. The secretariat has prepared draft guidelines for consideration by the SBSTA at its second session, and it is envisaged that if the SBSTA should reach conclusions on the guidelines during that session, the SBI could take up its own discussions on the consideration of communications at its second session. If necessary a further discussion could take place at the third session of the SBI. This would enable proposals to be submitted to COP 2 in accordance with decision 8/CP.1 and thereby facilitate the preparation of these communications which will begin to come due as of 21 March 1997.

14. The SBI could be expected to have a role in implementing any decision of COP 2 relating to the consideration of these communications and to report accordingly to the COP. Such a role would take account of the function of the SBI to consider information communicated by all Parties under Article 12.1.

C. Allocation and control of emissions from international bunker fuels

Product or task

15. The SBI will provide advice to the COP on the allocation and control of emissions from international bunker fuels.

Mandate

16. The SBI will provide this advice pursuant to decision 4/CP.1 on methodological issues, paragraph 1 (f).

Activities

17. The SBI could, at a future session, consider what technical and other information it would need in order to make recommendations to the COP and to request such information from the SBSTA, and thereafter to consider different policy options for the allocation and control of emissions on the basis of the information provided by the SBSTA, Governments and relevant international organizations.

D. Matters relating to the financial mechanism

Product or task

18. The SBI will provide advice to the COP on policies, eligibility criteria and programme priorities relating to the financial mechanism and, on request, provide advice on the financial mechanism and on the reports of the operating entity or entities, and make recommendations related to the arrangements for the operational linkages between the COP and the operating entity or entities.

Mandate

19. The SBI will provide such advice pursuant to decision 6/CP.1 on the roles of the subsidiary bodies, annex I, paragraph 3 (a) and annex II and decision 10/CP.1 on arrangements between the COP and an operating entity or entities of the financial mechanism.

Activities

20. At its first session, the SBI will consider draft arrangements between the COP and the Global Environment Facility (GEF) prepared by the secretariat in consultation with the secretariat of the GEF and bearing in mind comments made at the eleventh session of the Intergovernmental Negotiating Committee for a Framework Convention on Climate Change. The SBI could take up this matter to the extent necessary at its second and third sessions so that draft arrangements could be recommended to COP 2 for adoption. An annex on the determination of funding necessary and available, in accordance with Article 11.3 (d) of the Convention has been prepared by the Convention secretariat and the secretariat of the GEF and will be considered by the SBI at its third session.

21. The SBI will also consider the reports from the operating entity of the financial mechanism. Depending on the time these reports become available, this could be envisaged for the third and fifth sessions of the SBI, resulting in advice to COP 2 and COP 3 respectively.

22. The SBI will also further elaborate the policies, programme priorities and eligibility criteria in accordance with requirements in this regard and make recommendations accordingly to the COP.

23. The SBI could also take up other matters relating to the financial mechanism as necessary so that this would be a standing item leading to regular reports to the COP. For example, the arrangements for the operational linkages between the COP and the operating entity or entities may require some attention, and general advice and recommendations on issues relating to the financial mechanism (for example, on the operational strategy) could be appropriate. The secretariat would provide regular updates on relevant activities, including its cooperation with the GEF secretariat.

E. Transfer of technology

Product or task

24. The SBI will provide advice to the COP on transfer of technology.

Mandate

25. The SBI will provide such advice pursuant to decision 6/CP.1, annex I, paragraph 3 (a).

Activities

26. In view of the above-mentioned mandate, the overall responsibility of the SBI to advise on the implementation of the Convention and the need to avoid duplication of work between the SBSTA and the SBI, both subsidiary bodies agreed at their first session that the SBI, rather than the SBSTA as provided for in decision 13/CP.1, should take up the following aspects of the reports relating to transfer of technology as requested from the secretariat by decision 13/CP.1:

(a) At its second session, the SBI would consider for the first time the itemized progress report on concrete measures taken by Parties included in Annex II to the Convention with respect to their commitments relating to the transfer of environmentally sound technologies and know-how; and

(b) The SBI would consider the aspect of the inventory of technologies report relating to the "terms of transfer".

F. Activities implemented jointly under the pilot phase

Product or task

27. The SBI, with the SBSTA and the assistance of the secretariat, will prepare a synthesis report on the information communicated by Parties relating to activities implemented jointly under the pilot phase. The SBI will also provide advice to the SBSTA on the development of a framework for reporting by Parties on activities implemented jointly.

Mandate

28. The SBI will act under the provisions of decision 5/CP.1, paragraph 2.

Activities

29. A framework for reporting on activities implemented jointly is to be established by the SBSTA in coordination with the SBI. It could be expected that the SBSTA would take the lead but would seek the advice of the SBI on a reporting framework. If such a request were received in time, it could be taken up at either the second or the third session of the SBI.

30. If the framework for reporting is adopted at COP 2, reports on activities implemented jointly would be available from Parties after COP 2. In such case, the SBI could take up issues surrounding the synthesis report at its fourth session and provide guidance to the secretariat. It could consider the first synthesis report at its fifth session, together with any conclusions of a scientific and technical nature that may be forwarded by the SBSTA. It would transmit the synthesis to COP 3 with any advice or recommendations that may be agreed.

G. Technical and financial support

Product or task

31. The SBI could provide advice to the COP and guidance to the secretariat on the technical cooperation activities of the secretariat and its partners.

Mandate

32. The SBI would provide this advice pursuant to the decision of COP 1 to periodically review this matter and provide guidance to the secretariat.

Activities

33. The SBI could review reports from the secretariat and provide advice to the COP. The first such report was considered at the second session of the SBI. Another report from the secretariat will be presented to the third session of the SBI prior to its consideration by COP 2.

H. Institutional and budgetary matters

Product or task

34. The SBI will provide advice to the COP on institutional and budgetary matters and interim guidance to the secretariat on such matters between sessions of the COP, as appropriate.

Mandate

35. The SBI will provide this advice under the general provisions of Article 10.1 and 10.2 (c). Moreover, decision 14/CP.1 requests the SBI, at its first session, to review the proposed arrangement for administrative support to the Convention secretariat on the basis of a report from the Executive Secretary.

Activities

36. The SBI, at its first session, will review the proposed arrangement for administrative support to the Convention secretariat on the basis of a report from the Executive Secretary pursuant to his consultations with the United Nations on the allotment of overhead to defray administrative expenses. It will take decisions on this matter so that the administrative arrangements may take effect from 1 January 1996. It could also review, at that and subsequent sessions, other institutional and budgetary matters as needed.

37. At subsequent sessions, the SBI will have the opportunity:

(a) To consider the report of the Executive Secretary to COP 2 on income and budget performance, including any proposals for adjustments to the Convention budget for 1996-1997, and provide advice to COP 2 (at the third session of the SBI); this practice could evolve into a regular report on the financial situation of the Convention institutions;

(b) To consider the proposed budget for the Convention for the biennium 1998/1999 and provide advice to COP 3 (at the fifth session of the SBI); and

(c) To consider other institutional and budgetary matters that may be referred to it or which may arise on an urgent basis and provide advice to the COP or interim guidance to the secretariat.

III. OTHER MATTERS

38. The SBI is to develop proposals on its longer-term activities and organizational arrangements, including any adjustments to the functions and/or allocation of work, and the scheduling and periodicity of sessions; these proposals are to be reported to COP 2 (see decision 6/CP.1). The SBI could have an initial discussion of these matters at its second session and complete its report to COP 2 at its third session.

39. The SBSTA is also requested to report on its work to COP 2. It will have to adopt, at its third session, a series of reports, decisions and/or recommendations relating to the various items on its work programme. To the extent that additional information needs to be passed to the COP, this may be done through a report from the Chairman.

40. The officers of the SBI and the SBSTA are invited to submit to COP 2, after due consultation with their respective bodies, proposals for future cooperation between the SBSTA and the SBI and the Intergovernmental Panel on Climate Change (IPCC) (decision 6/CP.1, para. 6). The SBI, after an initial exchange of views on this matter at its first session, decided that in order to avoid duplication of efforts cooperation between the subsidiary bodies and the IPCC should be addressed by the SBSTA without prejudice to paragraph 6 of decision 6/CP.1.

41. The programme of work will need to retain sufficient flexibility to allow the SBSTA to undertake additional activities, if requested by the COP or by the Ad Hoc Group on the Berlin Mandate.

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SUBSIDIARY BODY FOR IMPLEMENTATION

REPORT OF THE SUBSIDIARY BODY FOR IMPLEMENTATION ON THE WORK OF ITS THIRD SESSION, GENEVA, 9 - 16 JULY 1996

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Documents before the Subsidiary Body for Implementation
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I. OPENING OF THE SESSION
(Agenda item 1)

1. The third session of the Subsidiary Body for Implementation (hereinafter referred to as "the SBI") was held at the Palais des Nations, Geneva from 9 to 16 July 1996.

2. The Chairman of the SBI, Mr. Mohamed M. Ould El Ghaouth, opened the session at the 1st meeting, on 9 July 1996. In welcoming the participants, he referred to the large volume of work before the SBI and invited delegates to aim at making recommendations on all issues on the agenda for adoption by the Conference of the Parties at its second session.

II. ORGANIZATIONAL MATTERS
(Agenda item 2)

A. Adoption of the agenda
(Agenda item 2 (a))

3. At its 1st meeting, on 9 July, the SBI adopted the following agenda:

1. Opening of the session.

2. Organizational matters:

   (a) Adoption of the agenda;

   (b) Election of officers other than the Chairman;

   (c) Organization of the work of the session;

   (d) Report of the Subsidiary Body for Implementation to the Conference of the Parties.

3. National communications:

   (a) Communications from Parties included in Annex I to the Convention: guidelines, schedule and process for consideration;

   (b) Communications from Parties not included in Annex I to the Convention: guidelines, facilitation and process for consideration.

4. Financial and technical cooperation:

(a) Financial mechanism:

(i) Guidance to the Global Environment Facility;

(ii) Memorandum of Understanding between the Conference of the Parties and the Council of the Global Environment Facility;

(b) Secretariat activities relating to technical and financial support to Parties.

5. Development and transfer of technologies.

6. Activities implemented jointly under the pilot phase.

7. Administrative and financial matters:

(a) Establishment of the permanent secretariat and arrangements for its functioning;

(b) Income and budget performance, and resource deployment for 1997.

8. Review of the programme of work, 1996-1997.

9. Report on the session.

4. The SBI also agreed to consider and make recommendations on a number of issues referred to it by the Conference of the Parties (COP), including the question of commitments in Article 4 (see FCCC/CP/1996/15, paras. 21 (a), (c), (d), (e) and (f) and 23).

B. Election of officers other than the Chairman

(Agenda item 2 (b))

5. Concerning the election of officers other than the Chairman, the SBI decided, at its 1st meeting, on 9 July, that since the election of officers of the Conference of the Parties, and those of the SBI, the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Ad Hoc Group on Article 13 (AG13) were being considered as a package, it would await the outcome of the consultations being conducted by the President of the Conference on the issue. Subsequently it did not prove possible to reach agreement (see FCCC/CP/1996/15, para. 18).

C. Organization of the work of the session

(Agenda item 2 (c))

6. At its 1st meeting, on 9 July, the SBI approved the organization of the work presented by the Chairman. The Chairman also referred to the documentation before the third session, as mentioned in document FCCC/CP/1996/1/Add.2.

D. Report of the Subsidiary Body for Implementation to the Conference of the Parties

(Agenda item 2 (d))

1. Proceedings

7. At its 1st meeting, on 9 July, the SBI considered the sub-item on the report of the Subsidiary Body for Implementation to the Conference of the Parties.

2. Conclusions

8. The SBI noted that the reports of the SBI on its first and second sessions would be before the Conference of the Parties at its second session. It requested the Chairman of the SBI to provide an oral report to the plenary of the COP on the progress achieved by the SBI at its third session.

E. Attendance

9. For the lists of attendance at the third session of the SBI, see the report of the Conference of the Parties on its second session, Part One, chapter II, section J (FCCC/CP/1996/15).

F. Documentation

10. The documents before the SBI at its third session are listed in the annex below.

III. NATIONAL COMMUNICATIONS

(Agenda item 3)

A. Communications from Parties included in Annex I to the Convention: guidelines, schedule and process for consideration

(Agenda item 3 (a))

1. Proceedings

11. At its 3rd meeting, on 11 July, the SBI addressed the sub-item on national communications from Parties included in Annex I to the Convention. It had before it the following documents prepared by the secretariat: FCCC/CP/1996/12 and Add.1 and 2; and FCCC/CP/1996/13.

12. The corresponding item of the COP agenda was referred to both the SBSTA and the SBI by the Conference of the Parties at its 2nd plenary meeting, on 8 July (see FCCC/CP/1996/15, para. 21 (d)).

13. Statements were made by the representatives of 12 Parties, including one speaking on behalf of the Alliance of Small Island States (AOSIS) and one speaking on behalf of the European Community and its member States.

2. Conclusions

14. At its 5th meeting, on 16 July, having considered a proposal by the Chairman, the SBI adopted the following conclusions:

(a) The SBI took note with appreciation of the fact that all but one of the Annex I Parties whose national communications were due by the second session of the Conference of the Parties had fulfilled their commitments under Articles 4 and 12 of the Convention by submitting national communications. However, it also noted that a number of these Parties submitted their communications after their due dates;

(b) The SBI took note of the national communications and their executive summaries (see document series FCCC/NC/...), the second compilation and synthesis report of first national communications from Annex I Parties (FCCC/CP/1996/12 and Add.1 and 2), and the available in-depth review reports (FCCC/IDR.1/(country code));

(c) The SBI, in responding to the request of the President of the Conference of the Parties that it review the implementation of the Convention, concluded that the above-mentioned documentation contained relevant information allowing Parties to assess the implementation of the Convention by Annex I Parties;

(d) The SBI concluded that Annex I Parties were fulfilling their commitments under Article 12 by reporting on national policies and measures on the mitigation of climate change

and those under Article 4.2(a) to implement those policies and measures, but according to available information, for many Annex I Parties, further urgent action would be needed to return greenhouse gas emissions to their 1990 levels by 2000;

(e) The SBI concluded that the challenges which Annex I Parties currently face in returning greenhouse gas emissions to their 1990 levels by 2000, and the efforts being made to address these challenges, would be relevant to the AGBM negotiations on commitments for the post-2000 period;

(f) The SBI took note of the concern expressed by some Parties that Annex II Parties were falling short of their commitments regarding the transfer of technology and the provision of financial resources, bearing in mind that other Parties noted that some Annex II Parties were providing bilateral contributions and that all Annex II Parties contributed to the Global Environment Facility, and noted that Parties were requested to enhance the reporting on these commitments by applying the revised Annex I national communication guidelines;

(g) The SBI expressed its appreciation to Annex I Parties that had submitted their national inventory data on emissions by sources and removals by sinks as requested by decision 3/CP.1* and urged those Annex I Parties that had not yet submitted these data to do so as soon as possible;

(h) The SBI took note of the information on experience with the review process, on progress of the in-depth reviews of first national communications from Annex I Parties, and of suggestions on the scheduling, submission and review of second communications, contained in document FCCC/CP/1996/13;

(i) The SBI concluded that the review process was a key element for facilitating the implementation of the Convention and monitoring its progress and recommended that this process be continued in accordance with the relevant decisions of the Conference of the Parties;

(j) The SBI concluded that the question of commitments in Article 4, which had been referred to it by the Conference of the Parties at its 4th meeting, on 12 July, would be taken up at a future session (FCCC/CP/1996/15, para. 51).

15. Also at its 5th meeting, on 16 July, the SBI decided to recommend, in conjunction with the SBSTA, a draft decision on guidelines, schedule and process for consideration of communications from Parties included in Annex I (FCCC/CP/1996/L.13) for adoption by the

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* See document FCCC/CP/1995/7/Add.1.

COP at its second session. For the text of the decision by the Conference of the Parties, see decision 9/CP.2.**

B. Communications from Parties not included in Annex I to the Convention: guidelines, facilitation and process for consideration

(Agenda item 3 (b))

1. Proceedings

16. At its 4th meeting, on 12 July, the SBI addressed the sub-item on national communications from Parties not included in Annex I to the Convention. It had before it a note prepared by the secretariat (FCCC/SB/1996/MISC.1/Add.1).

17. The corresponding item of the COP agenda was referred to the SBI and the SBSTA by the Conference of the Parties at its 2nd plenary meeting, on 8 July (see FCCC/CP/1996/15, para. 21 (d)).

18. Statements were made by the representatives of three Parties, including one speaking on behalf of the Group of 77 and China.

19. The representative of Antigua and Barbuda made a statement concerning the submission of the initial national communication by his Government.

2. Conclusions

20. At its 5th meeting, on 16 July, the SBI decided to recommend, in conjunction with the SBSTA, a draft decision on guidelines, facilitation and process for the consideration of communications from Parties not included in Annex I (FCCC/CP/1996/L.12) for adoption by the COP at its second session. For the text of the decision by the Conference of the Parties, see decision 10/CP.2.

21. The SBI invited Parties to forward to the secretariat their views on the process for consideration of the initial communications by 15 October 1996. It requested the secretariat to compile any views submitted by Parties, and to prepare a note on any budgetary considerations, for discussion at its fifth session.

IV. FINANCIAL AND TECHNICAL COOPERATION

** For decisions adopted by the Conference of the Parties at its second session, see document FCCC/CP/1996/15/Add.1.

(Agenda item 4)

A. Financial mechanism

Agenda item 4 (a))

(i) Guidance to the Global Environment Facility

1. Proceedings

22. At its 2nd meeting, on 10 July, the SBI addressed the sub-item on guidance to the Global Environment Facility. It had before it a note prepared by the secretariat (FCCC/CP/1996/8).

23. The corresponding item of the COP agenda was referred to the SBI by the Conference of the Parties at its 2nd plenary meeting, on 8 July (see FCCC/CP/1996/15, para. 21 (c)).

24. Statements were made by the representatives of five Parties, including one speaking on behalf of the Group of 77 and China and one speaking on behalf of the European Community and its member States.

2. Conclusions

25. At its 5th meeting, on 16 July, the SBI decided to recommend a draft decision on guidance to the Global Environment Facility (FCCC/CP/1996/L.9) for adoption by the COP at its second session. For the text of the decision by the Conference of the Parties, see decision 11/CP.2.

(ii) Memorandum of Understanding between the Conference of the Parties and the Council of the Global Environment Facility

1. Proceedings

26. At its 2nd meeting, on 10 July, the SBI addressed the sub-item on the Memorandum of Understanding between the Conference of the Parties and the Global Environment Facility. It had before it a note prepared by the secretariat (FCCC/CP/1996/9).

27. The corresponding item of the COP agenda was referred to the SBI by the Conference of the Parties at its 2nd plenary meeting, on 8 July (see FCCC/CP/1996/15, para. 21 (e)).

28. Statements were made by the representatives of three Parties, including one speaking on behalf of the Group of 77 and China and one speaking on behalf of the European Community and its member States.

29. At its 5th meeting, on 16 July, the Chairman of the SBI stated that if he was unable to obtain the agreement of the Parties on the draft decision proposed, the issue would be referred to the Conference of the Parties for resolution since it was the COP itself which had requested the SBI to present a draft decision to it for consideration.

30. In the absence of agreement, the President of the Conference of the Parties, at the 8th plenary meeting, on 19 July, recommended a draft decision on the Memorandum of Understanding: annex on the determination of funding necessary and available for the implementation of the Convention for adoption by the COP at its second session. This decision referred the matter for further consideration by the SBI at its fourth session. For the text of the decision by the Conference of the Parties, see decision 13/CP.2.

B. Secretariat activities relating to technical and financial support to Parties
(Agenda item 4 (b))

1. Proceedings

31. At its 2nd meeting, on 10 July, the SBI addressed the sub-item on secretariat activities relating to technical and financial support to Parties. It had before it a note prepared by the secretariat (FCCC/SBI/1996/10).

32. Statements were made by the representatives of two Parties, including one speaking on behalf of the European Community and its member States.

2. Conclusions

33. At its 5th meeting, on 16 July, the SBI decided to recommend a draft decision on secretariat activities relating to technical and financial support (FCCC/CP/1996/L.5) for adoption by the COP at its second session. For the text of the decision by the Conference of the Parties, see decision 3/CP.2.

V. DEVELOPMENT AND TRANSFER OF TECHNOLOGIES
(Agenda item 5)

1. Proceedings

34. At its 4th meeting, on 12 July, the SBI addressed the item on development and transfer of technologies. It had before it a note prepared by the secretariat (FCCC/CP/1996/11).

35. The corresponding item of the COP agenda was referred to the SBSTA and the SBI by the Conference of the Parties at its 2nd plenary meeting, on 8 July (see FCCC/CP1996/15, para. 21 (c)).

36. Statements were made by the representatives of seven Parties, including one speaking on behalf of the Group of 77 and China.

2. Conclusions

37. At its 5th meeting, on 16 July, the SBI decided to recommend, in conjunction with the SBSTA, a draft decision on development and transfer of technologies (FCCC/CP/1996/L.16) for adoption by the COP at its second session. For the text of the decision by the Conference of the Parties, see decision 7/CP.2.

VI. ACTIVITIES IMPLEMENTED JOINTLY UNDER THE PILOT PHASE (Agenda item 6)

1. Proceedings

38. At its 4th meeting, on 12 July, the SBI addressed the item on activities implemented jointly under the pilot phase. It had before it a note prepared by the secretariat (FCCC/CP/1996/14 and Add.1).

39. The corresponding item of the COP agenda was referred to the SBSTA and the SBI by the Conference of the Parties at its 2nd plenary meeting, on 8 July (see FCCC/CP/1996/15, para. 21 (c)).

40. A statement was made by the representative of the World Business Council on Sustainable Development.

2. Conclusions

41. At its 5th meeting, on 16 July, the SBI decided to recommend, in conjunction with the SBSTA, a draft decision on activities implemented jointly under the pilot phase (FCCC/CP/1996/L.7) for adoption by the COP at its second session. For the text of the decision by the Conference of the Parties, see decision 8/CP.2.

VII. ADMINISTRATIVE AND FINANCIAL MATTERS
(Agenda item 7)

A. Establishment of the permanent secretariat and arrangements for its functioning
(Agenda item 7 (a))

1. Proceedings

42. At its 1st meeting, on 9 July, the SBI addressed the sub-item on the establishment of the permanent secretariat and arrangements for its functioning. It had before it a note prepared by the secretariat (FCCC/CP/1996/6 and Add.1, 2 and 3).

43. The corresponding item of the COP agenda was referred to the SBI by the Conference of the Parties at its 2nd plenary meeting, on 8 July (FCCC/CP/1996/15, para. 21 (f)).

44. Statements were made by the representatives of two Parties, including one speaking on behalf of the Group of 77 and China.

2. Conclusions

45. At its 5th meeting, on 16 July, the SBI decided to recommend the draft decisions on the establishment of the permanent secretariat and arrangements for its functioning, and on the agreement concerning the headquarters of the Convention secretariat, contained in documents FCCC/CP/1996/L.2 and L.14, respectively, for adoption by the COP at its second session. For the text of the decisions by the Conference of the Parties, see decisions 14/CP.2 and 15/CP.2.

46. In a statement made after the SBI had approved the draft decision on the agreement concerning the headquarters of the Convention secretariat, the Executive Secretary welcomed the intention of the Parties to consider the question of the juridical personality of the Convention secretariat on the international plane, as indicated in operative paragraph 2 of the decision. He noted that different legal opinions had been expressed on that matter and he expressed the hope that the consideration of the question would lead to a convergence of views.

47. The Executive Secretary stated further that it was his understanding that nothing in the decision would prevent the Convention secretariat from carrying out its normal business in Germany or in any other country or from making the necessary arrangements for this.

B. Income and budget performance, and resource deployment for 1997

1. Proceedings

48. At its 1st meeting, on 9 July, the SBI addressed the sub-item on income and budget performance, and resource deployment for 1997. It had before it a note prepared by the secretariat (FCCC/CP/1996/7 and Add.1).

49. The corresponding item of the COP agenda, together with the question of documentation for Convention bodies, was referred to the SBI by the Conference of the Parties at its 2nd plenary meeting, on 8 July (see FCCC/CP/1996/15, para. 21 (a) and (f)).

50. Statements were made by the representatives of four Parties, including one speaking on behalf of the European Community and its member States and one speaking on behalf of the Group of 77 and China.

2. Conclusions

51. At its 5th meeting, on 16 July, the SBI decided to recommend the draft decisions on income and budget performance, and resource deployment for 1997, and on volume of documentation, contained in documents FCCC/CP/1996/L.3 and L.8, respectively, for adoption by the COP at its second session. For the text of the decisions by the Conference of the Parties, see decisions 16/CP.2 and 17/CP.2.

VIII. REVIEW OF THE PROGRAMME OF WORK, 1996-1997
(Agenda item 8)

1. Proceedings

52. At its 1st meeting, on 9 July, the SBI addressed the item on the review of the programme of work, 1996-1997. It had before it a note prepared by the secretariat (FCCC/SBI/1996/11).

53. Statements were made by the representatives of two Parties.

2. Conclusions

54. At its 5th meeting, on 16 July, the SBI decided to recommend a draft decision on the programme of work, 1996-1997 (FCCC/CP/1996/L.4) for adoption by the COP at its second session. For the text of the decision by the Conference of the Parties, see decision 2/CP.2.

IX. REPORT ON THE SESSION
(Agenda item 9)

55. At its 5th meeting, on 16 July, the SBI considered and adopted the first part of the draft report on the session (FCCC/SBI/1996/L.3) presented by the Chairman, in the absence of an elected Rapporteur. It also requested the Chairman, with the assistance of the secretariat, to complete the report of the session taking into account the discussions and the conclusions reached during the session and the need for editorial adjustments.

56. The Chairman, after thanking all participants for their constructive cooperation, declared the third session of the SBI closed.

Annex

DOCUMENTS BEFORE THE SUBSIDIARY BODY FOR IMPLEMENTATION AT ITS THIRD SESSION

The following documents were before the SBI at its third session:

FCCC/CP/1996/1	Provisional agenda and annotations, including suggestions for the organization of work
FCCC/CP/1996/1/Add.2	List of documents for the second session of the Conference of the Parties and concurrent sessions of subsidiary bodies
FCCC/CP/1996/6	Establishment of the permanent secretariat and arrangements for its functioning: implementation of decision 14/CP.1 on the institutional linkage of the Convention secretariat to the United Nations and related administrative matters
FCCC/CP/1996/6/Add.1	Establishment of the permanent secretariat and arrangements for its functioning: legal arrangements for the effective discharge of the functions of the Convention secretariat in the Federal Republic of Germany
FCCC/CP/1996/6/Add.2	Establishment of the permanent secretariat and arrangements for its functioning: relocation of the Convention secretariat to Bonn and possible liaison arrangements
FCCC/CP/1996/6/Add.3	Establishment of the permanent secretariat and arrangements for its functioning: levels of remuneration of senior posts and appointment of the Executive Secretary
FCCC/CP/1996/7 and Add.1	Financial performance of UNFCCC: contributions and expenditures in 1996, and forecast for the biennium 1996-1997
FCCC/CP/1996/8	Financial mechanism: report of the Global Environment Facility to the Conference of the Parties

FCCC/CP/1996/9	Financial mechanism: draft Memorandum of Understanding between the Conference of the Parties and the Council of the Global Environment Facility. Annex on the determination of funding necessary and available for the implementation of the Convention
FCCC/CP/1996/11	Development and transfer of technologies (Article 4.1(c) and 4.5): follow-up report on technological issues
FCCC/CP/1996/12	Commitments in Article 4. Second compilation and synthesis of first national communications from Annex I Parties: executive summary
FCCC/CP/1996/12/Add.1	Commitments in Article 4. Second compilation and synthesis of first national communications from Annex I Parties: report
FCCC/CP/1996/12/Add.2	Commitments in Article 4. Second compilation and synthesis of first national communications from Annex I Parties: tables of inventories of anthropogenic emissions and removals and projections for 2000
FCCC/CP/1996/13	Communications by Parties: process for review and schedule for submission of national communications from Parties included in Annex I to the Convention
FCCC/CP/1996/14 and Add.1	Activities implemented jointly: annual review of progress under the pilot phase. Progress report on activities implemented jointly
FCCC/CP/1996/MISC.1	Establishment of the permanent secretariat and arrangements for its functioning: legal arrangements for the effective discharge of the functions of the Convention secretariat in the Federal Republic of Germany

FCCC/SBI/1996/10	Secretariat activities relating to technical and financial support to Parties
FCCC/SBI/1996/11	Review of the programme of work, 1996-1997
FCCC/SBI/1996/L.2	Financial and technical cooperation. Financial mechanism: guidance to the Global Environment Facility. Arrangements between the Conference of the Parties and the operating entity or entities of the financial mechanism. Draft decision submitted by the Group of 77 and China
FCCC/SBI/1996/L.3	Report of the Subsidiary Body for Implementation: draft report of the Subsidiary Body for Implementation on its third session
FCCC/SBI/1996/L.4	Financial and technical cooperation. Financial mechanism: Memorandum of Understanding between the Conference of the Parties and the Global Environment Facility. Annex on the determination of funding necessary and available for the implementation of the Convention. Draft proposal submitted by the Group of 77 and China

The following documents were also available:

FCCC/SB/1996/MISC.1/Add.1	National communications. Approach paper by the Group of 77 and China on recommendations on guidelines and format for preparation of initial communications from non-Annex I Parties
FCCC/SB/1996/L.1	National communications. Communications from Parties not included in Annex I to the Convention. Guidelines for preparation of initial communications from non-Annex I Parties. Draft decision by the Group of 77 and China

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